

11 June 1974

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Room 7E44

Dear Ed:

Attached is a brief analytical essay, "What's Wrong With Political Europe?" which seeks to explain the recent rapid turnover in the governments of Western Europe. A final section (page 8) suggests some implications for the US -- especially with regard to intelligence collection and analysis in the area. The paper was prepared in my office, which is responsible for its judgments, but it does not necessarily represent an Agency view in all respects.



National Intelligence Officer  
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MEMORANDUM TO THE DIRECTOR OF CENTRAL INTELLIGENCE

WHAT'S WRONG WITH POLITICAL EUROPE?

1. The voters of Luxembourg have just turned out of office the conservative party which has led the country for half a century. Ordinarily, the event would be of very limited passing interest. Coming in the middle of 1974, it adds point to a question -- what is happening in European political life?

2. The last six or eight months have seen incumbent governments replaced in all the major and most of the lesser states of Europe. It is now nearly unanimous. The roll now includes the UK, France, Germany, Italy, The Netherlands, Belgium, and Denmark. Sweden and Norway could be named, with suitable qualifications, as could Greece, Spain, and Turkey. Canada and Iceland could be added to the continental list. The change of regime in Portugal is, of course, a more radical case.

3. Are there patterns in all this, with common denominators of cause and effect? Or is it a series of accidents coinciding in time? The best short answer is that it is something of both. The past few months have been politically momentous for Europe in part because of accidents. The death of Pompidou, and even the assassination of Carrero Blanco in Spain and the exposure of Guillaume in Germany could have happened at any time; yet occurring close together, with their on-going implications, they have contributed to a mosaic of accelerating political change in Europe -- without themselves being part of any chain of logical causation except as examples of human mortality and fallibility setting traps for any historical process.

4. But if accident played an important role, it has done so within a framework shaped by less whimsical forces. There are political, security, sociological and economic circumstances

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which, to one degree or another, are present in most of the European states and which not only produce some broadly comparable political behavior but, when accidents do happen, help condition the consequences in comparable ways.

5. One common denominator, variously manifested, is the nature of most of Europe's political leadership. The heroic qualities attached to the leaders of post-World War II Europe seem notably absent everywhere. Depending on perspective and philosophy of historical causation, this can be viewed as a personal or a systemic phenomenon. One can argue endlessly whether the personalities themselves are smaller or the problems bigger. Perhaps both are true -- with the qualification that the problems are in a sense less manageable than the dramatic questions of survival faced by Europe in the late 1940s and early 1950s. Today's problems are slower-fused, more complicated, less dramatic. They permit longer periods of drift and make-do. Since they are not primarily external threats, they do not give rise to sentiments of national unity and self-sacrifice so easily as the earlier challenges. They put a premium on management and administration of infinitely complex socio-economic matters more than on inspiring political leadership on the grand scale. They occur amidst unprecedented (if uneven) prosperity. For all these reasons, it is harder for leaders to define national challenges and mobilize resources to meet them.

6. It is observable that incumbent governments have been steadily losing the confidence and support which carried them to power, yet the conventional opposition parties are not fundamentally responsible for the incumbents' loss of appeal; nor are the conventional opposition parties gaining from their rivals' losses in any direct and automatic way. Heath was not replaced because most voters had any strong preference for Wilson; manifestly a majority did not. But enough had lost faith in how the Tories were coping to bring them down. With allowance for differences, similar observations would be made about the demise of Gaullism in France, the sharp loss of popularity by the SPD in Germany, the precariousness of the Rumor government's hold on power in Italy, and so on. In the Benelux states and Scandinavia, recent elections have proven indecisive, dramatizing only how the electorate is as split as it is in France and the UK.

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7. One common side effect is the spark of life given to splinter parties and unconventional movements of other sorts. The Liberals in England have hope that their hour is striking again after a half-century; the Scottish and Welsh nationalists, fantastic as it might seem, have acquired a degree of political power in Britain's delicate balance. In Belgium and Canada, ethnic and regional loyalties have become another outlet for discontent with conventional or mainstream alternatives. In Denmark, the rise to importance of Glistrup's anti-tax Progress Party illustrates how dissatisfaction with the established power, coupled with the absence of an appealing alternative, can push along a movement distinguished only for irresponsible and demagogic qualities.

8. The political eddies in Europe may have aided splinter parties of various sorts, but they have not yet led toward radical solutions of left or right. There is no general surge in either direction. Such gains or losses for right or left as might be claimed in one state are not only debatable on the merits but, even if taken at face value, are offset by apparent movement in the other direction elsewhere -- also inconclusive or ambiguous.

-- Thus it has been suggested that Italy is moving left because the divorce referendum was a setback for the CD and the Church, or because there is talk of an accommodation between the CD and the PCI -- the "historic compromise" offer of the PCI leader. But if the divorce referendum showed anything, it was probably the irrelevancy of political labels. To all Italian politicians' surprise, the question which they tried to make into a political test, was apparently decided by the voters on grounds having little to do with standard politics. And if the "historic compromise" should take form -- not yet a likelihood but increasingly being discussed -- it must be asked whether it would signify that the dominant political party has moved leftward as much as the PCI, the source of so many misgivings in Moscow and other orthodox Communist centers, has moved in the opposite direction. But terms like "left" and "right" are of increasingly questionable significance in this context; the central reality is that the problems of governing Italy in 20th century style and conditions are challenging all the familiar political formulas and none are looking very satisfactory.

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- The political prognosis in Germany is hardly more clear. By some standards, it would seem to be moving to the right. The SPD had been losing popularity rapidly for a year before Brandt's resignation. In this case, the principal opposition, the Christian Democrats, was gaining but the SPD's coalition partner the Free Democrats, seemed to be gaining even more. A straight-line projection of the trend would put the Christian Democrats in control of elections due in 1976, and it is too early to tell whether Schmidt will prove able to alter this trend. But the statement that Germany is moving to the right lacks content and meaning. The point is that Brandt's government was losing the voter's confidence because it was not coping with Germany's problems in a satisfactory manner to them. It had slowed down on some promised (and quite radical) reforms enough to disillusion some supporters on the left, without gaining compensatory support in the center. The voters have no way of knowing whether the Christian Democrats would do better -- the latter have put forward no clear alternatives or specific plans, partly because they have not agreed themselves on what should be done and in many respects it may be questioned whether they would do much differently.
- The test of political forces in France brought on by Pompidou's death shows the country evenly divided between left and right when the choice is put in such stark terms. The test further showed that Gaullism has run its course; after 16 years, its appeal has weakened fatally. But perhaps most importantly of all for the future, the French voters registered a demand for change in governmental policies for dealing with their society's problems. Those on the left obviously voted for change -- fairly well defined and quite radical. To get it, they were ready to accept participation in government by the French Communist Party -- a prospect which did not attract Moscow enough to overcome its obvious preference for Giscard over Mitterand. Giscard was elected by those who want less radical and less clearly defined change -- "change without risk" -- but he is making clear that he takes seriously the need for change. What is wanted,

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and widely wanted, are some new approaches to problems of inflation, the gap between rich and poor which in France has continued to widen, and a host of other matters having to do with managing French society and the French economy in the complexities of the late 20th century. As in Italy and Germany, these issues have a diminishing relationship to classic political contests between liberals and conservatives or left and right as conventionally defined.

9. The blurring of classic lines of political engagement may be viewed with alarm or equanimity but it is taking place in several ways. The possibility of accommodation in Italy between non-Communists and the PCI, the inclusion of Communists in the Portuguese provisional government, the recent near thing in the French elections, the prospects that the pan European trade union confederation will move to accept the Italian Communist labor confederation and perhaps later the French equivalent -- all would have appeared, a few years ago, unlikely or impossible and certainly horrendous. To some, they still do. But to a growing number of Europeans, misguided or not, they seem logical evolutionary adjustments to new realities and new imperatives in making governments, economies and societies work. They appear to many Europeans, in short, hardly more illogical or risky than the adjustments between East and West known in foreign relations as detente -- adjustments which have helped bring about the domestic climate in Europe in which Communist parties have gained respectability.

10. But while detente is having atmospheric effects on European politics, questions of foreign policy have not played a very important role in the political fortunes of European governments. Brandt's Ostpolitik was central to his policies and he no doubt suffered politically from the fact that Ostpolitik seems to have run out of steam. But the opposition, by most testimony, would have tried something not unlike it had they held power, and are not likely to alter Schmidt's posture in this respect very much when and if they do regain office (though the Soviets believe and fear they might). In Britain, Wilson made EC membership something of an issue, aware of its unpopularity with a voting majority of the electorate. But it was not critical to the electoral outcome and insofar as it is an issue, it is the effect of this membership on the British

domestic economy -- not its foreign implications -- that matter. The essential satisfaction of the French voter with the broad outlines of French foreign policy has been recorded in many polls and was reflected in the relatively minor attention given to it in this election. In the pressing welter of domestic difficulties facing Italy, foreign affairs are not given much attention by any party.

11. The main point is simple. European voters are not very concerned with foreign policy except as it affects, or is believed to affect, their domestic problems -- especially their pocketbooks. With one notable exception, they neither feel very threatened by the external world, nor very hopeful of benefits from it. The exception arises, of course, when outside events threaten economic lifelines as with oil supplies. But international affairs in their traditional political or military aspects, are of relatively little interest.

12. In this connection, the distinction must be made, of course, between voters and governments. The latter are, for example, as apprehensive as ever over the Soviet threat to Europe -- the more so as they sense the potential for altering familiar relations of forces through MBFR and CSCE. But they have a difficult time getting parliaments and voters to share their concern and find it almost impossible to get them to spend more money on this account.

13. Except for some government officials, then, Europe is generally ambivalent about politics and indifferent about security. What it is emphatically not indifferent about is economics and some of its social implications. The unprecedentedly high levels of prosperity have, in effect, created as many new problems as have been solved. That some of these may be problems of success rather than failure does not diminish their potential for unsettling political equilibrium or frustrating governmental programs. History has shown over and over again that it is not the starving who produce political turbulence but rather the relatively prosperous who want to be more so, or who feel threatened in what they have.

14. And the omnipresent effects of inflation throughout Europe -- as elsewhere -- raise serious questions about the continued validity of prosperity. For some years, consumerism,

benefiting almost everyone to one degree or another, has provided a safety valve for dissatisfactions and a diversion from deficiencies which might otherwise have called for difficult remedial actions in more urgent terms. Now, inflation threatens that outlet. And the expansion and liberalization of foreign trade which has accompanied and fostered Europe's prosperity in the last decade or so is also now under threat. With France and Germany now being led by two skilled former Finance Ministers, there are grounds for hope that these problems are in capable hands -- the more so since neither is as disposed as his predecessor to be diverted from the main problem by political hangups over Ostpolitik or Gaullist aspirations. But no one pretends to have sure answers about the main problems. And even if Germany and France are in a comparatively fair position to cope, modern economic Europe will perforce have to live with the interdependent effects of British and Italian and the other economic problems, including those of the US.

15. The sociology of modern Europe reinforces these patterns. European integration has proceeded far enough, aided by modern ease of communication and travel, so that national societies are less and less isolated from what goes on around them, and currents of change in one state quite quickly and directly affect others. The Portuguese revolution's goals of instant de-colonization and liberalization surely owe much to the effects of general European thinking on key elements of Portuguese society -- most notably young military officers. There is apprehension among Spanish conservatives over the effects of Portugal on their own country for precisely this reason -- just as there is hope among Spanish liberals that the Portuguese experiment will help in a Spanish transition from the Franco era to something new. Not many years ago, Italians probably would have voted against divorce by a comfortable margin (as Fanfani thought they would do last month), and it is hard to resist the conclusion that the social norms of the rest of Europe are having their effects on traditional Italian attitudes. Travelers to both Germanies remark that one notable distinction between the FRG and the GDR is the extent to which the former -- particularly the younger generation -- has "joined Europe" in a social, cultural, and psychological sense, whereas Germans in the East think and behave more like those of previous generations.

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16. These conditions are not always politically comfortable or entirely reassuring. If a generation is coming up that finds an intra-European war inconceivable, the same generation is disposed to be skeptical about the need for defense of Europe against the Soviets; and it tends to take Atlantic security for granted while concentrating, when it thinks of the matter at all, on how unsatisfactory it finds the foreign and economic policies of its elders and of the US. Lacking personal memoirs of World War II and the tenuous crises of the Cold War, innocent of experience with depression and rampant nationalism in Europe, it sees what is deficient in the present system without any vivid awareness of the defects of foreseeable alternatives or the price that has to be paid to avoid them. Finally, it is a generation with very high expectations about the need and feasibility of correcting defects in society; having been conditioned by rapidly improving economic standards, it is impatient with failure to do more, quickly, to improve the quality of life. The pace of change has not assuaged but whetted appetites for more.

#### Some Implications

17. If the foregoing line of argument is valid, there follow from it certain implications for the US -- including intelligence analysis and policy formation:

- Political problems -- present and projected -- are nearly all heavily dependent on where Europe is headed economically. Questions of stability and the staying power of particular governments and policies are likely to be determined less on political grounds than on success or failure in meeting economic challenges of a largely unprecedented sort. It has been noted that there is no surge toward radical left or right in Europe, but the tendency to mill around in the middle could give way to more extreme impulses if inflation is indefinitely uncontrolled.
- The economic tests ahead may impel Europe toward or away from closer integration among its members. And they may enhance Europe's ties with the US or erode them. These big questions must stand without confident answers for the present. What does seem certain

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is that no amount of political arrangements among the governments of Europe or between them and the US or other powers will matter much unless they take into account economic problems in cogent ways.

- This suggests need for more emphasis on estimating where Europe is going (or might go) economically. What strategies will bring inflation under control that are also realistic politically? What are the chances of success? The consequences of failure? Until we get some line on these questions, most political forecasting will not get near the heart of the matter.
- Conventional political labels and classic political alignments are losing much of their relevance -- and European political leaders who don't appreciate this have been suffering for it. The existing political vocabulary is obsolescent, and there are no neat new labels or agreed concepts to replace it. At a minimum, familiar terms should be used with wariness and European political processes looked at with care to avoid misleading patterns of perception.
- If Communist parties or Communist labor unions are still inherently threatening to US vital interests in Europe, the question then becomes why are such historic anti-Communist elements as the Vatican, much of the Christian Democratic Party in Italy, a large segment of the French electorate, and many of the Christian and Socialist trade unions elsewhere departing from their own traditional positions on such questions. The answers are doubtless not simple but either some of our most important and long-standing friends are embarking on erroneous courses, or we need to adjust some of our own perceptions. In either case, intelligence has to examine carefully why contingencies of this kind are opening up which would have been unthinkable ten years ago, and what they would mean in reality if they do materialize. Answers to these questions seem essential to any decisions about postures which the US might adopt.

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-- Without discounting the importance of governmental politics, it would make sense to increase attention to forces and organizations which underlie or transcend the daily political life of the national governments. The latter can develop greater vitality and stability only to the extent they reflect national needs. These needs, in turn, are expressed by powerful institutions not in the governments but critical to their success or failure -- the trade unions, the great political parties, the industrial combines and associations, and others. If we look only at governments and their official oppositions, we may be overlooking forces at least as important for determining future events as are the official incumbent governments. Indications are that the Soviets are quite alive to the importance of ties with the European trade unions, the socialist parties, youth groups, even some of the major industrial organizations.

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